

Memorandum

Date: July 8, 2002
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To: Robert Pernel, Commissioner and Committee Presiding Member
Arthur H. Rosenfeld, Commissioner and Committee Associate Member

From: **California Energy Commission** - Kristy Chew
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Subject: **SMUD COSUMNES POWER PLANT PROJECT (01-AFC-19) - STATUS REPORT 2**

Energy Commission staff has prepared this status report to update the Committee on the project schedule and progress made in the AFC process for the Cosumnes Power Plant project.

KEY EVENTS SINCE THE LAST STATUS REPORT

Workshops

Energy Commission staff held workshops on June 11, 12, 13, 18, and 25, 2002 to discuss air quality, biological resources, cultural resources, noise, soil and water resources, traffic and transportation, transmission system engineering, visual resources, and waste management. As a result of the workshops, SMUD has provided, and will provide, to Energy Commission staff information in the technical areas listed above during the month of July.

UPDATE ON SIGNIFICANT ISSUES

Project Description

SMUD has proposed the use of zero liquid discharge (ZLD) technology for both phases of the project. SMUD will file a supplement to their application for certification describing any impacts of their proposed ZLD system by July 18, 2002. Use of ZLD would reduce the amount of fresh water for cooling by approximately one third (from 8,000 AFY to 5,339 AFY for both phases of the proposed project). SMUD stated that they would consider the use of reclaimed water for cooling for Phase 2 of the project.

Air Quality

- At the June 12, 2002 Yolo-Solano Air Quality Management District's (YSAQMD) Board of Director's meeting, the YSAQMD did not take an action on the request to approve the transfer of emission reduction credits (ERCs) to Sacramento County to offset emissions from the CPP. The item has been rescheduled for the next YSAQMD Board of Director's meeting, which is August 12, 2002.

Unless other ERCs are acquired by SMUD, the delay of ERC transfers by the YSAQMD would likely delay the availability of the Sacramento Air Quality

Management District's Final Determination of Compliance, which was originally estimated to be available September 30, 2002.

- On July 2, 2002, the Sacramento Air Quality Management District made available their draft Preliminary Determination of Compliance. This draft document will enable Energy Commission staff to produce a reasonably complete Preliminary Staff Assessment (PSA).

Biological Resources

Biological surveys and the Biological Resources Assessment were submitted to the Energy Commission on June 10, 2002. However, the biological surveys were not performed to the extent necessary for staff to adequately determine impacts. Energy Commission staff is waiting for SMUD to submit the appropriate survey information. Energy Commission staff will continue to work with SMUD to obtain the appropriate biological survey information.

Cultural Resources

SMUD began presence/absence testing along portions of the proposed natural gas pipeline alignment on June 26, 2002. Testing has not been completed. SMUD intends to conduct additional testing for the remaining areas. Although results from the presence/absence testing and results from the additional areas to be tested would be useful for staff's analysis, the currently available information is sufficient for staff to prepare a reasonably complete PSA.

Waste Management

SMUD filed a response to Energy Commission Data Request 229 regarding potential soil contamination along the pipeline alignment and project site on June 10, 2002. SMUD's data response satisfies staff's previous request for hazardous waste sampling and analysis of the site and laydown area.

Water & Soil Resources

With the implementation of a ZLD system, a National Pollution Discharge Elimination System (NPDES) permit would no longer be required by the Regional Water Quality Control Board. Therefore the requirement for a draft NPDES prior to a Final Staff Assessment is no longer needed.

SCHEDULE

Based on the information provided by SMUD and other agencies, staff intends to file the PSA by July 31, 2002.

Due to the delay in approval of the inter-air district ERC trade as discussed above, it is not likely that SMAQMD's PDOC will be available for public review and comment by July 31, 2002 as originally anticipated. SMAQMD staff estimates the PDOC may be available at the end August or thereafter. Therefore, staff estimates that the

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Final Determination of Compliance (FDOC) will not be available until the end of October or thereafter. Thus, staff estimates that the Final Staff Assessment would not be completed and filed until the end of November or thereafter.

cc: POS